

By Transfer  
NOV 7 1917

**YESTERDAY'S WEATHER**  
U. S. WEATHER BUREAU  
Oct. 16, 1917—Last twenty-four hours' rainfall, .25. Temperature, Min. 51; Max. 69. Weather, pt. cloudy.

# Hawaiian Gazette

LATEST CABLED SUGAR QUOTATIONS	
Cents	Dollars
88° Centrifugals N. Y. per lb. per ton	
Price, Hawaiian basis...	6.90 \$138.00
Last previous quotation...	7.00 \$140.40

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HONOLULU, HAWAII TERRITORY, TUESDAY, OCTOBER 16, 1917.—SEMI-WEEKLY.

WHOLE NUMBER 4678

## GREAT BATTLE NEAR AT HAND FOR ITALIANS IN AUSTRIA

Heavy Artillery and Reconnoiters Make Evident That Coming Conflict Will Extend Along Great Part of Julian Front

### GERMAN FLEET FAILS TO ENTER RIGA GULF

Teuton Troops Make Landing On Oesel Island But Have Gained No Foothold On Mainland of Province of Estonia

**NEW YORK, October 16—**(Associated Press)—Preparations for a great battle between the Italian and Austrian forces on the Julian front became apparent yesterday and it is anticipated that the two great armies in this theater of war will clash perhaps today, in all events within a very few days in a titanic struggle along a great front, a struggle that is expected to rival or excel any of the bloody battles that have marked the advance of the Italians into Austrian territory in their progress upon Trieste.

In the Brestovizza Valley especially, but in a number of other sectors as well there was a growing intensity of artillery fire yesterday while reconnoiters were in progress in several directions. For days past the Italians have been making evident preparations for a further terrific drive and the Austrians, while conducting assaults and counters on the Italian positions, have been bringing up reinforcements and stores of ammunition in preparation for determined resistance.

In the north the Germans succeeded in gaining a foothold on the Island of Oesel where they captured the capital, Arenburg, the Russ forces falling back before them. The Teutons have not, however, succeeded in making a landing on the Estonia mainland.

Oesel is an island of Estonia, south of Dagö Island, where the German fleet was badly shattered on Monday.

Advices say that the German fleet has not succeeded in penetrating the Gulf of Riga, its attempt having been frustrated by the Russian navy in engagements of which no details have been received other than that the German vessels had been forced to turn back.

No attempt has been made, it is reported, by any part of the German Baltic fleet to make its way into the Gulf of Finland.

On the Western front the British were successful in a number of minor raids but undertook nothing in the way of strong offensives. But that a further drive may be expected as soon as weather and soil conditions admit is evidenced by the heavy and incessant barrage that the Allies' guns are keeping up.

In the Verdun sector there was also indication of coming infantry movements by the heavy artillery duels, especially in the vicinity of Hill 344.

The Allies are continually harassing and wearing down the Teutons on the Macedonia front.

## CANADA WILL HAVE OWN SPOKESMAN IN AMERICAN CAPITAL

Appointment of High Commissioner To Washington Gives Direct Connection

Position Is Unofficial But Takes Nature of Giving Dominion Own Representative

**OTTAWA, October 16—**(Associated Press)—With the appointment yesterday of J. D. Hazen as Canadian High Commissioner to Washington the Canadian government has for the first time established a direct connection between the Canadian and American capitals. Heretofore all communications between the two governments have passed through the channel of the British embassy and all negotiations with Canada, political and commercial, have been carried on through Downing Street. Now Canada purposes to be represented at Washington by her own commissioner, who will have an unofficial position but who will be, nevertheless, the official spokesman at Washington for the Dominion.

Commissioner Hazen is prominent in governmental circles, having been minister of marine and fisheries and later minister of the Canadian naval service. Prior to entering the Dominion parliament he was mayor of Fredericton, New Brunswick, his native Province; leader of the opposition in the provincial parliament and finally prime minister and attorney general.

## ONLY ONE SAVED AS HUNS SHELL BOATS

Italian Vessel Is Torpedoed and Lifeboats Are Riddled and Sunk By Shot

**LONDON, October 16—**(Associated Press)—The torpedoing of an unnamed steamer with the death of every person aboard with one exception and the destruction by shellfire of the lifeboats of an Italian steamer are two outstanding features of the submarine news made public yesterday.

The sole survivor of the steamer sunk in British waters is Charles Gordon of Philadelphia. Among his shipmates drowned were one other American and five Filipinos, the latter members of the crew. No details of the sinking are given out.

The Italian ship torpedoed, with accompanying survivors, was the Bari. Among her passengers were a number of Greek officials, all of whom are among the missing. After the passengers and crew of the Bari had taken to the lifeboats, following the attack on their ship, the submarine crew opened fire upon the small boats, smashing many of them, killing some of those in the boats with their shells and allowing the others to drown.

## LIBERTY BONDS MAY BE SOLD TO SOLDIERS ALREADY IN FRANCE

**PARIS, October 16—**(Associated Press)—The French government yesterday issued the necessary formal permission for the sale of Liberty Bonds to American soldiers in France, without which permission it would have been illegal to canvass the American regiments for subscriptions to the loan. A law put into force here early in the war made it illegal for anyone resident in France to subscribe to any foreign government loan and this law applies now to the American troops on French soil, who are amenable to the French civil code.

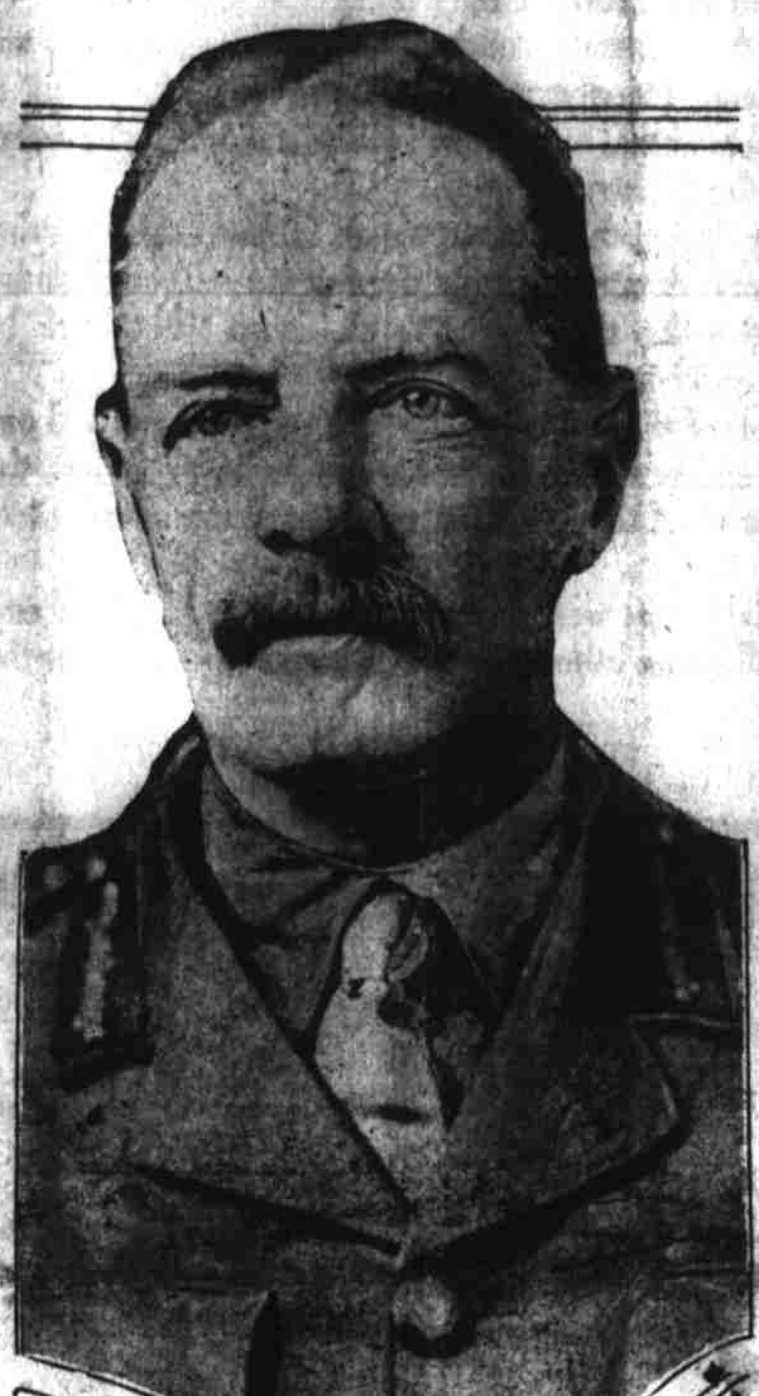
There was no discussion whatever regarding the waiving of this law in America's favor.

## INDEPENDENT BANKS ARE URGED TO HELP

**WASHINGTON, October 16—**(Associated Press)—All the independent banks of the Union are urged by the President to join the federal banking reserve in their respective districts and through this general alliance of the banking interests of the nation give the government control over the entire gold reserve of the country. In the thirteen reserve districts there is a total of nine thousand eligible banks, not allied with the federal reserve banks.

The treasury department estimated last night that total subscriptions thus far amounted to about \$800,000,000 or sixteen percent of the maximum figures that are sought to be obtained.

**MAJ.-GEN. SIR J. E. CAPPER**, the director general of the British Tank Corps, under whose efficient direction the monster battleships on land have been doing such efficient work on the battlefronts of Europe.



## HOPES OF BILLINGS ARE DASHED TO EARTH

Highest State Tribunal Denies Appeal For New Trial

**SAN FRANCISCO, October 16—**(Associated Press)—Once more the hopes of Warren K. Billings, convicted of participation in the wholesale slaughter that resulted from the bomb plot and against the Preparedness Parade, were shattered yesterday when the Supreme Court of the State affirmed the decision of the district court of appeals, rendered October 3, denying his appeal and application for a new trial.

Billings was the first of the alleged bomb plot murderers to go on trial and was convicted in October of last year and sentenced to imprisonment for life. Since then he and his friends have fought the verdict in the courts of California up to the highest tribunal of the State.

The trials of Mooney and his wife followed in turn upon the conviction of Billings.

## GYPSY DANCER IS TAKEN TO HER DEATH

**PARIS, October 16—**(Associated Press)—Mlle. Mathari, the Gypsy dancer, whose arrest and conviction as a German spy has been one of the recent sensations of Paris, was yesterday taken from prison in an automobile and driven towards Vincennes, to an unknown destination. She was accompanied by two Sisters of Charity and a priest. It is surmised that she was taken out for execution.

## I. W. W. SUPPORT MAY LEAD TO DOWNFALL

Minister Faces Expulsion For Advocating Ideas

**SEATTLE, October 16—**(Associated Press)—For championing the Industrial Workers of the World and their campaign against the industries of the United States, Rev. Sydney Strong faces expulsion from the Congregationalist Church.

At the session of the Church Federation of the Congregationalist churches of this State resolutions were passed denouncing Strong for advocacy of the I. W. W. policies in public and an investigation was demanded to be followed by his expulsion from the church if the charges shall be found to be sustained.

## ESTATE OF CAPTAIN MATSON VALUED AT TWO MILLION DOLLARS

**SAN FRANCISCO, October 16—**(Associated Press)—The will of the late Capt. William Matson was filed for probate yesterday. His estate, which is valued at two million dollars, is divided equally between his widow and his children. The widow's share is a million dollars. His daughter Lurline, Mrs. W. Roth, received \$166,000, and each of his other five children by his first marriage receive like amounts.

## WAR PROFITS TAX GIVES BIG REVENUE

TEXT OF WAR REVENUE BILL AS PASSED SHOWS THAT PROVISIONS WERE COMPLETELY CHANGED IN CONFERENCE AND INCREASES MADE

Full text of the War Revenue Bill designed to raise \$2,700,000,000 was received in Honolulu yesterday. Its arrival has been anxiously awaited but definite information as to its provisions regarding what is termed the War Profits Tax or the Excess Profits Tax might be definitely determined as meeting the corporations of the islands and the dividends which may be expected from such companies.

This provision of the bill was completely changed in conference from that of the original bill. The deduction appears to be limited to a nine percent pre-war profit and in computing the tax the relation of the excess to the invested capital is taken into consideration.

The following is the text of "Title I—War Profits Tax":

**Section 200.** That when used in this title the term "corporation" includes joint stock companies or associations and insurance companies;

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**Section 203.** That for the purposes of this title the amount of the deduction shall be determined, except as otherwise in this title provided:

**(a)** In the case of a domestic corporation by deducting from the net income of the trade or business received during the taxable year the sum of (1) an amount equal to the same percentage of the invested capital for the taxable year which the average amount of the annual net income of the trade or business during the pre-war period was of the invested capital for the pre-war period, (but not less than seven or more than nine percentum of the invested capital for the taxable year), and (2) \$3,000;

**(b)** In the case of a domestic partnership or of a citizen or resident of the United States, by deducting from the net income of the trade or business received during the taxable year the sum of (1) an amount equal to the same percentage of the invested capital for the taxable year which the average amount of the annual net income of the trade or business during the pre-war period was of the invested capital for the pre-war period, (but not less than seven or more than nine percentum of the invested capital for the taxable year), and (2) \$3,000;

**(c)** In the case of a foreign corporation or partnership or of a non-resident alien individual, by deducting from the net income of the trade or business received from sources within the United States during the taxable year an amount equal to the same percentage of the invested capital used within the United States during the pre-war period, but not less than seven or more than nine percentum of the invested capital used within the United States for the taxable year.

**Section 204.** That if a corporation or partnership was not in existence, or an individual was not engaged in a trade or business during the whole of any one calendar year during the pre-war period, the excess profits shall be determined by deducting from the net income of the trade or business for the taxable year, in the case of a domestic corporation \$3,000, and in the case of a domestic partnership or a citizen or resident of the United States \$6,000, plus in either case an amount equal to 8 percentum of the invested capital for such year.

**Section 205.** That in the case of a foreign corporation or partnership, or of a non-resident alien individual, the net income from sources within the United States, and that proportion of the entire net income which the net income received from sources within the United States bears to the entire net income, shall be used as the basis of computation, but no \$3,000 or \$6,000 deduction shall be allowed.

**Section 206.** That a trade or business carried on by a corporation, partnership, or individual although formally organized or reorganized on or after January 1, 1913, which is substantially a continuation of a trade or business carried on prior to that date, shall for the purpose of this title be deemed to have been in existence prior to that date, and the net income and invested capital of its predecessor prior to that date shall be deemed to have been its net income and invested capital.

**Section 207.** That the net income of a partnership or individual shall be ascertained and returned for the calendar years nineteen and twelve, and nineteen hundred and thirteen, and for the taxable year, upon the same basis and in the same manner as provided in title I of such Act of September eighth, nineteen hundred and sixteen, as amended by this Act, except that the credit allowed by subdivision (b) of Section five of such act shall be deducted. There shall be allowed (a) in the case of a domestic partnership the same deductions as allowed to individuals in subdivision (a) of Section five of such Act as amended by this Act, and (b) in the case of a foreign partnership the same deductions as allowed to individuals in subdivision (a) of Section six of such Act as amended by this Act.

**Section 208.** That as used in this title the term "invested capital" for any

## BRITAIN WILL GAIN MUCH BY AGREEING ON FOOD SUPPLY

Arrangement Between United Kingdom and Netherlands Will Bring Large Part of Surplus Products Across Channel

### STRONG PRESSURE IS FINALLY SUCCESSFUL

United States Helped Its Allies Through the Squeeze That Was Felt By Reason of Its Export Licensing Law

**WASHINGTON, October 16—**(Associated Press)—A new food agreement between Great Britain and the Netherlands, entered into within the past few days, has just been made public. Under its terms, Britain is to receive a far greater share of the surplus food products of Holland than heretofore, while a reduction in the amounts available for export to Germany will have to be made.

Under the new agreement, obtained partially through the pressure brought upon Holland by the export license board of the United States, the British will get half of the Dutch exports of iron, half of the exports of meats, a quarter of the butter and two-thirds of the milk and other dairy products.

**SHIP SAILINGS HELD UP**

Pending the reaching of a more equitable agreement respecting food exports, Dutch ships have remained tied up in American harbors for many weeks, loaded but unable to sail through failure to secure the requisite permission from the export license board. The placing of cargo aboard these ships, even when it was known that export licenses would be unobtainable pending negotiations, is explained by the fear of the Dutch owners that the United States would commandeer the ships.

Vessels lying idle and empty in American harbors would be subject to commandeering, under international law, while loaded ships are immune.

**German Pact Rejected**

The United States refused to recognize as equitable the agreement into which Holland had entered with Germany fixing the percentage of exports from the Netherlands which should go to the Central Powers and to the nations aligned against the Germans in the world war.

It was stated authoritatively that no American commodities, including foods, cattle fodder, any dairy products were to be permitted to enter Holland, or for that matter any of the northern neutral nations of Europe, while fats were being shipped into Germany on the previous basis.

An authentic translation of the negotiations which were made the basis of the German-Dutch agreement, and which came into the hands of government officials, is presented here. With few alterations, it is stated, the terms as outlined were recognized by the two governments involved through semi-official agencies.

The United States took the position that Holland could not expect it to aid in feeding Dutch cattle to produce fats for Germany. While Holland clung to such an agreement, in order to obtain coal and other commodities from Germany, she would have to depend upon her own resources to keep up her end of the bargain.

**What Germany Demanded**

The negotiations show that Germany, in the direct need for fats to feed her armies, demanded that Holland give her by far the greater proportion of certain essential exports. Here are a few of the demands:

At least seventy-five percent of the total exports of butter.

At least sixty-two and two-thirds percent of the total exports of export cheese.

At least as much pig meat and sausage as was exported to other countries.

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